

Fleming

MEMORANDUM

Date: November 24, 1999

To: Wayne Berry

From: Ralph Stussi

Subject: License agreement for freight control system

I am in receipt of the end user license agreement and addendum you have prepared dated October 29, 1999. I had not seen this document until Monday evening November 22, 1999, and must say it not acceptable to Fleming Companies, Inc. Let me go through our understanding in all this.

We understand that you will grant us a no charge user license for the software you have developed for API and that you wish to market it commercially. We only intend to use this software to support our local freight operation and will not sell or issue copies to other businesses. We do not intend to transfer copies of this software to other company locations beyond Hawaii. To this end, we understand that copyright laws and international copyright treaties, as well as other intellectual property laws and treaties protect the software product. We understand that this product is licensed, not sold and that all title and intellectual property rights in and to the software product and any copies we make are owned by you. We also understand that there are no warranties expressed or implied and that the product is made available to us "as is" with any revisions up to and including work performed through October 29, 1999. If you become aware of any situations where files or programs are transferred to unauthorized users, please advise me and I will pursue this immediately. I will also advise my associates of this.

We must have the ability to change and modify reports that come out of the system. The database that exists has so much information that can be used, new reports and information will be constantly evolving from the operation as it has in the past. There is a big question about the Crystal report writing software and the reports that are written from the database with this software. You have advised me that we can use the Crystal software to modify and develop reports, but that you cannot be responsible for the accuracy of the data in these reports.

EXHIBIT **B**


The long-term goal of our operation is to interface with our company's total inbound logistics system. This will be done utilizing software licensed by our company from another provider. We are still in the process of obtaining information about how it will work with an ocean freight situation versus mainland backhauls. If it will accommodate what we are doing, we will schedule a conversion and once all is up and running we would plan on removing your inbound freight software at that time.

With regard to the TSI EDI interface, I admit that I do not totally understand what is technically happening here. Our intention is to work with our corporate staff people to develop a download that will allow the current P.O. and other file information that is being transferred using TSI EDI and Kleinschmidt to download directly from our mainframe. This project is being worked on and should be completed by the first of January 2000. I believe this is all part of the transition we have agreed to work through. At that time we would be able to cancel the Kleinschmidt agreement and would no longer need the TSI EDI interface. If this interface cannot be accomplished we would plan to discuss further with you the purchase of the TSI EDI interface for the system or a suitable, less expensive alternative.

In another area, the information contained in the database includes confidential Fleming information. This information must be kept and should not be shared with outside, unauthorized parties without first obtaining our written approval. Currently we understand and approve the sharing that has taken place in order to prepare our anti-trust case with Sea Land.

If this understanding is acceptable to the parties, please acknowledge below.

Acknowledged:


Wayne Berry

Acknowledged:


Ralph Stussi